



## **TERMS OF REFERENCE**

**NT005-2025**

**APPOINTMENT OF A PANEL OF EXTERNAL FIRMS TO RENDER  
PERFORMANCE AUDIT SERVICES FOR A PERIOD OF THREE (3) YEARS**

**CLOSING DATE: 20 JUNE 2025 AT 11:00**

**VALIDITY PERIOD: 90 DAYS**

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## **1. INTRODUCTION**

- 1.1 The National Treasury (NT) requires qualified professional firms to be co-sourced by Specialised Audit Services Unit (SAS) the Office of the Accountant-General (OAG), to render performance audits in all spheres of government in the areas of financial management, internal controls, public procurement and to conduct data analytics.
- 1.2 It should be noted that this specifically excludes the Audit of Performance Information. Performance audit is an independent and objective assessment that evaluates efficient, effective, and economical use of resources.
- 1.3 The NT intends to carry out a procurement exercise to solicit proposals from experienced and professional external firms with expertise in performance audit. The firms selected will be required to provide their services through a dedicated team of qualified auditors and any other specific competence or expertise that will be required, based on the nature of the assignment to be carried out.
- 1.4 The NT will neither enter into any exclusive procurement agreement with any single firm nor any minimum quantity of services.
- 1.5 Appointment to the panel does not necessarily guarantee that the firm will be allocated work. Service providers will be appointed through rotation process.

## **2. OBJECTIVE AND SCOPE**

- 2.1 The performance audit will comprise but not limited to the following:
  - (a) Analysing the reports, digital evidence and any other relevant documentation provided as the source to identify the effectiveness, efficiency and economical use of resources;
  - (b) Assessment of internal controls to identify any weaknesses and recommend improvements;
  - (c) Conduct data analytics and present it in any format required;
  - (d) Conduct cyber security reviews to evaluate the adequacy of IT physical controls, logical access controls, ICT policies, change management processes, application review controls, network vulnerability and penetration tests.
  - (e) Refer the outcome of performance audit for in-depth forensic investigation, where necessary;

- (f) Support disciplinary proceedings relating to incidents of fraud, any form of financial misconduct and any potential contravention of legal prescripts against State officials, including testifying during disciplinary proceedings (this includes period beyond term of their contract);
- (g) Refer allegations of a criminal nature to the relevant law enforcement agency or other appropriate agencies/ bodies. In this regard the Office of the Accountant-General will pursue a formal arrangement with other law enforcement agencies, to ensure that the support of the relevant law enforcement agency is guaranteed; and
- (h) Supporting criminal proceedings and giving expert testimony against State officials, service providers and other parties involved in criminal activities and contraventions of legal prescripts.

2.2 In addition to the above activities, the successful firm or consortium of performance audit firms will be expected to conduct performance audits in all spheres of government mainly in the public procurement, government financial management systems and internal controls;

2.3 Diagnostic tools: carrying out general reviews of activities to highlight risks arising either out of fraud or from any other source with the purpose of initiating reviews of particular areas, targeting specific threats to any Organ of State; and

2.4 Depending on the circumstances, the performance audit will focus on one or more of the following aspects:

- (a) Broad financial management of State funds (e.g. examination of the use of State funds in all spheres of government on public procurement);
- (b) Procedures (e.g. Supply Chain Management processes and regulation);
- (c) Systems (e.g. internal control system, NT transversal systems, payment systems); and
- (d) Performance (economic acquiring of resources, efficiency and effectiveness in the utilization of State resources) and/or the role of staff and employees.

### 3. CODE OF PROFESSIONAL ETHICS

The successful firm or consortium of firm(s) and their officials are expected to apply the following guiding principles:

- (a) **Professionalism and Diligence:** A firm(s) and its officials shall, at all times, demonstrate a commitment to professionalism and diligence in the performance of its duties.
- (b) **Legal and Ethical:** A firm(s) and its officials shall not engage in any illegal or unethical conduct, or any activity which would constitute a conflict of interest or bring the name of NT into disrepute.
- (c) **Integrity:** A firm(s) and its officials shall, at all times, exhibit the highest level of integrity in the performance of all professional assignments and will accept only assignments for which there is reasonable expectation that the assignment will be completed with professional competence.
- (d) **Objectivity:** A firm(s) and its officials will comply with lawful orders of the courts and will testify to matters truthfully and without bias or prejudice.
- (e) **Confidentiality-** All parties will be required to maintain the confidentiality of any sensitive information obtained during the course of the assignments. Confidential information includes, but is not limited to, proprietary data, internal communications, business strategies, and any personal or organizational data not intended for public disclosure.

### 4. PERFORMANCE AUDIT PROCESS AND DURATION

#### 4.1 PERFORMANCE AUDIT PROCESS

The performance audit assignments will be structured around phases based on consultation and agreement with the NT Project Management team, which will be responsible for the coordination of each assignment.

#### 4.2 PROJECT MANAGEMENT AND CONTRACTING AUTHORITY

The Project Management team will be controlled and directed by the Head of Specialised Audit Services within the Office of the Accountant-General and this will be the Firm's main point of contact in the NT.

#### 4.3 REPORTING REQUIREMENTS

- The National Treasury will become the owner of the information, documents, advice, recommendation and reports collected, furnished and/or compiled by the Service Provider for all performance audits conducted on behalf of the Specialised Audit Services.

- In the event where the appointed firm will be providing support to a criminal investigation and/or a criminal trial; all documentation gathered during this phase by both the firm and the South African Police Service, including the final report will be shared with law enforcement agencies involved and the NT team.

#### 4.4 THE DURATION OF THE PANEL

The panel contract will be valid for a period of three years.

### 5. QUALIFICATIONS AND EXPERIENCE REQUIRED

The type of qualifications and experience required from the experts will be informed by the type, scope and nature of the performance audit assignment required.

**Generally, three categories of experts will be considered as follows:**

#### **Category 1- Partner**

- Highly qualified experts, preferably certified by the Institute of Internal Auditors South Africa (IIASA), the South African Institute of Chartered Accountants (SAICA), Independent Regulatory Board for Auditors (IRBA) and or any relevant professional body, possessing relevant university qualifications (Commerce, Auditing, Public Finance and IT) and assuming or having assumed important responsibilities in their area of specialization. They must have at least 5 years of experience as a partner.

#### **Category 2- Audit Manager**

- Qualified experts, preferably certified by IIASA, SAICA, IRBA or any relevant professional body, possessing relevant university qualifications (Commerce, Auditing, Public Finance and IT) and a good knowledge of the sector(s) concerned. They must have at least 5 years' experience as an Audit Manager, including experience of leading a multi-disciplinary audit team.

#### **Category 3- Digital/Cyber forensic/ Data Analytics**

- Qualified experts possessing relevant qualifications in IT field and a good knowledge of the sector(s) concerned. They must have at least 5 years' experience in the field.

The service provider must provide profiles for every resource proposed for each phase of the assignment. When specialised expertise in a specific area of the

assignment is required, this will be indicated in the specific terms of reference for the phase of the assignment concerned.

## 6. EVALUATION PROCESS

The following will be the process that will be followed to evaluate the bids received for the appointment of the panel of NT performance audit, as well as the selection of panel members for a performance audit to be executed during the three-year period of engagement.

### 6.1 Pre-Qualification Requirements / Mandatory Requirements

All bids received will be subjected to an administrative evaluation process and if any of the below-mentioned documentation, where necessary is not attached, such a bid will be eliminated from further evaluation:

- 6.1.1 Proof of company registration on Central Supplier Database Registration (CSD).
- 6.1.2 In the case of a Joint Venture, Consortium, Trust, or Partnership a Valid Tax Clearance Certificate and/or SARS issued pin code for both companies must be submitted (which will be verified).
- 6.1.3 In the case of a Joint Venture, Consortium, Trust, or Partnership, a signed teaming agreement must be submitted.
- 6.1.4 In the case of a Joint Venture, Consortium, Trust, or Partnership a Consolidated or for both companies Central Supplier Database Registration (CSD) or both companies CSD are required.
- 6.1.5 CV's (**template provided**) must be signed by the proposed resource and not signed on behalf of the proposed resource. **Unsigned CVs and CVs submitted in a different template will not be considered.** It should be noted that no consideration will be made to any bidder, that has provided profiles for their resources, which are also provided by another competitor in this same bid, this is considered collusive tendering.
- 6.1.6 The use of consultants should be accompanied by a valid and signed agreement or contract between the firm and that resource.

### **FAILURE TO ADHERE TO THE CONDITIONS STATED ABOVE WILL LEAD TO DISQUALIFICATION**

#### **NOTE: Required Administrative Documents (Not for elimination)**

- a) Proof of valid registration with Compensation for Occupational Injuries and Disaster (COIDA).

- b) Service providers shall submit a proposal including the composition of the audit team, the audit team's profiles, and applicable fees for each category to be utilized in the assignments, prospective service providers should note that all applicable fees are in line with the **Auditor General SA rates**.
- c) Firms should limit the number of CVs to 3 per category, in the case where more than 3 CVs are submitted, only the first three will be evaluated.
- d) The scores of firms that have a number of personnel in a certain category, will be scored on an average basis.
- e) Copies of qualifications of personnel should be certified within the last six (6) months and should submit their **highest qualification** only, and in a case of foreign qualifications it is the responsibility of the bidder to ensure **SAQA accreditation is confirmed** and submitted, failure to comply will lead to being allocation of the lowest score.
- f) Digital/cyber resources must provide certified copies of certifications within the last six (6) months in relevant cyber and ICT related fields, failure to comply will lead to being allocation of the lowest score.
- g) **Valid work permit** and existing **security clearance** for foreign nationals are compulsory and will lead to allocation of the lowest score.

## 6.2 Technical Evaluation

Each Bid Evaluation Committee member will individually evaluate ALL the bids received. The combined scores of all panel members (for functionality) per individual bidder are added together and divided by the number of panelists to obtain an average score for technical evaluation (i.e. meeting the criteria specified for the assignment). The evaluation will be performed as per the table below:

**Table 1: Functionality Evaluation**

	Evaluation Criteria	Weight	Scoring Criteria
1.	<p><b>Digital/Cyber forensics / Data Analytics</b></p> <p>Signed confirmation letters for projects (Digital/ Cyber forensics and data analytics) completed in the recent 5 years. (minimum of 3 signed confirmation letters)</p> <ul style="list-style-type: none"> <li>• Provide proof of availability of appropriate IT solutions for</li> </ul>	<b>20</b>	<p><b>5</b> = 5 or more signed confirmation letters for projects (Digital/ Cyber forensics and data analytics) completed within the last 5 years.</p> <p><b>4</b> = 4 signed confirmation letters for projects (Digital/ Cyber forensics and data analytics) completed within the last 5 years.</p>



	Evaluation Criteria	Weight	Scoring Criteria
	<p>performance audits and suitable qualified personnel.</p> <ul style="list-style-type: none"> <li>In the case where the service is to be outsourced, the firm is expected to provide proof of the arrangement made with the suitable service provider and demonstrate that the service provider has the appropriate IT solutions for performance audit and suitable qualified personnel.</li> </ul>		<p><b>3</b> = 3 signed confirmation letters for projects (Digital/ Cyber forensics and data analytics) completed within the last 5 years.</p> <p><b>2</b> = 2 signed confirmation letters for projects (Digital/ Cyber forensics and data analytics) completed within the last 5 years.</p> <p><b>1</b> = 1 or no signed confirmation letters for projects (Digital/ Cyber forensics and data analytics) completed within the last 5 years, or no confirmation letters provided.</p>
2.	<p><b>Approach and methodology</b></p> <p>Demonstration of a sound performance audit approach and methodology.</p> <p>(i) The proposal must demonstrate the procedures that they will perform in all the phases/ stages of the performance audit.</p> <p>(ii) The proposal must address the project administration related activities e.g timesheets, monthly invoicing, adhering to project deadline.</p> <p>(iii) The proposal must demonstrate how the firm will approach the Performance audit in a National and Provincial Government sphere.</p> <p>(iv) The proposal must</p>	20	<p><b>5=</b> Excellent (when the proposal addresses all the five criteria)</p> <p><b>4=</b> Very Good (when the proposal addresses four criteria)</p> <p><b>3=</b> Good (when the proposal addresses three criteria)</p> <p><b>2=</b> Average (Good (when the proposal addresses two criteria).</p> <p><b>1=</b> Poor (when the proposal addresses one or no criteria addressed).</p>

	Evaluation Criteria	Weight	Scoring Criteria
	<p>demonstrate how the firm will approach the Performance audit in a Local Government sphere.</p> <p>(v) The proposal must demonstrate the techniques that the firm will adopt in the event where there is insufficient or no documentation available to perform the performance audit.</p>		
3.	<p><b>Experience of the firm</b></p> <p>Previous experience (<b>minimum of 3 Signed and verifiable reference letters</b>) of completed performance auditing projects within the Public Sector in the last five (5) years. (Provide the nature of the audit, the names of the Organs of State where the audits were conducted).</p>	20	<p><b>5</b> = 5 or more signed reference letters of performance auditing projects within the public sector in the last five (5) years.</p> <p><b>4</b> = 4 signed reference letters of completed performance auditing projects within the public sector in the last five (5) years.</p> <p><b>3</b> = 3 signed reference letters of completed performance auditing projects within the public sector in the last five (5) years.</p> <p><b>2</b> = 2 signed reference letters of completed performance auditing projects within the public sector in the last five (5) years.</p> <p><b>1</b> = 1 or no signed reference letter of completed performance auditing projects within the public sector in the last five (5) years.</p>

	Evaluation Criteria	Weight	Scoring Criteria
4.	<p><b>Qualifications of personnel</b></p> <p>Level of qualifications of all personnel that will be directly engaged in the execution of the project. (The audit team will be required to have qualifications in any of the following disciplines: Commerce, Auditing, Public Finance and IT. <b>(Please Only provide a certified copy of the Highest Qualification)</b></p> <p>1.1 Category 1-Partner (10 points)</p> <p>1.2 Category 2- Audit Manager (10 points)</p> <ul style="list-style-type: none"> <li>• Please note that if the firm intends utilizing foreign nationals, it must observe: Employment Services Act, Act No. 4 of 2014 and Immigration Act, Act No. 13 of 2002.</li> <li>• The firm will also be expected to prove that: <ul style="list-style-type: none"> <li>➤ The firm has exhausted all avenues to acquire that skill within the country.</li> <li>➤ The personnel will only work on projects, if they are granted a positive South African security clearance.</li> </ul> </li> </ul>	20	<p><b>Partner</b></p> <p>5= NQF Level 9+</p> <p>4= NQF Level 8</p> <p>3= NQF Level 7</p> <p>2= NQF Level 6</p> <p>1= NQF Level 5 and less</p> <p><b>Audit Manager</b></p> <p>5= NQF Level 9+</p> <p>4= NQF Level 8</p> <p>3= NQF Level 7</p> <p>2= NQF Level 6</p> <p>1= NQF Level 5 and less</p>
5.	<p><b>Experience of the personnel</b></p> <p>Experience of the personnel that will be directly engaged in the execution of the project <b>(Limit the number of CVs to a maximum of 3 per category using</b></p>	20	<p><b>Partner</b></p> <p>5= 8 and above years of experience as a partner.</p> <p>4= 6 to 7 years of</p>

	Evaluation Criteria	Weight	Scoring Criteria
	<p><b>template provided, only the first 3 CVs will be evaluated per category)-</b></p> <p>The scores of firms that have a number of personnel in a certain category, will be scored on an average basis.</p> <p>1.1 Category 1-Partner (10 points)</p> <p>1.2 Category 2-Audit Manager (10 points)</p>		<p>experience as a partner.</p> <p><b>3=</b> 5 years of experience as a partner</p> <p><b>2=</b> 3 to 4 years of experience as a partner.</p> <p><b>1=</b> 2 years of experience or less as a partner.</p> <p><b>Audit Manager</b></p> <p><b>5=</b> 8 years and above experience as an Audit Manager.</p> <p><b>4=</b> 6 to 7 years of experience as an Audit Manager.</p> <p><b>3=</b> 5 years of experience as an Audit Manager.</p> <p><b>2=</b> 3 to 4 years of experience as an Audit Manager.</p> <p><b>1=</b> 2 years of experience or less as an Audit Manager.</p>
	<b>Maximum Score</b>	<b>100</b>	
	<b>Minimum Threshold</b>	<b>65%</b>	

***Bids received that do not obtain a minimum of 65% for the technical proposal will be disqualified and no further consideration will be given.***

## 7. PREFERENCE POINT SYSTEM

In terms of Preferential Procurement Regulations 2022, Regulation 5(1) the applicable Preference Point System for this tender is **80/20, Price (80), and Specific Goals (20)**. In terms of Regulation 4 of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. The bidder must provide the relevant proof/ required documents for each preference point system indicated.

## 8. SPECIFIC GOALS

For this tender, the tenderer will be allocated points based on the goals stated and should be supported by proof / documentation stated in Table 3 below. Specific goals for the tender and points to be claimed are indicated in the table below:

**Table 2: Specific Goals allocation table**

#	Specific goals	Score	Required proof / documents to be submitted for evaluation purposes
1.	<p>The company owned by Youth.</p> <ul style="list-style-type: none"> <li>100% company owned by people who are Youth = 10 points</li> <li>75% - 99% company owned by people who are youth) = 8 points</li> <li>60% - 74% company owned by people who are youth = 6 points</li> <li>51%- 59% company owned by people who are youth = 3 point</li> <li>0 - 50% company owned by people who are youth = 0 point</li> </ul>	10 points	<p>Proof of claim as declared on SBD 6.1 (one or more of the following will be used verifying the tenderer's status:</p> <ul style="list-style-type: none"> <li>Company Registration Certification / document (CIPC)</li> <li>Company Shareholders certificate</li> <li>Certified identification documentation of company director/s</li> <li>CSD report/ CSD registration number (MAAA number)</li> <li>B-BBEE Certificate of the tendering company.</li> <li>Consolidated B-BBEE certificated if the tendering company is a Consortium, Joint Venture, or Trust (Issued by verification agency accredited by the South African Accreditation System).</li> </ul>
2.	<p>The company owned by Historically Disadvantaged Individuals (HDI) (Black).</p> <ul style="list-style-type: none"> <li>100% company</li> </ul>	10 points	

#	Specific goals	Score	Required proof / documents to be submitted for evaluation purposes
	<p>owned by people who are Black (HDI) = 10 points</p> <ul style="list-style-type: none"> <li>• 75% - 99% company owned by people who are Black (HDI) = 8 points</li> <li>• 60% - 74% company owned by people who are Black (HDI) = 6 points</li> <li>• 51%- 59% company owned by people who are Black (HDI) = 3 point</li> <li>• 0 - 50% company owned by people who are Black (HDI) = 0 point</li> </ul>		

### Notes to the Bidders

- **Price Evaluation**

- (a) The financial proposal must be based on the fees stated in the framework contract for each category of the performance audit team, the proposed fees should be compatible with the professional rates, as published by the Office of the Auditor-General of South Africa (AGSA). If the proposed fees for the expert or resource is not catered for in the AG rates, NT has the discretion to decide on the fee category that the expert or resource will fall in the AG rates. The travel costs by air will be reimbursed on the basis of the most economic tariff (economic class). The service provider should retain evidence of travel and accommodation expenses and other travel documents (for example invoice from hotel for accommodation). Such documents must be attached to the invoice as supporting documents for reimbursement purposes by NT. Other transport costs are reimbursed in accordance with the rules applicable for service contracts.
- (b) The financial proposal must be submitted in South African Rand.
- (c) NT reserves the right to negotiate hourly charge-out rate submitted by bidders;

- (d) The price proposal will be noted but not evaluated at this stage. Quotations will be sourced when the Specialised Audit Services (SAS) is selecting from the panel for a specific assignment after the establishment of the panel.

## **9. ONLINE BID SUBMISSION**

- 9.1.1 Bidders must submit their bids online through the e-Tender Publication portal.
- 9.1.2 Manual or hardcopy bids are **NOT** acceptable.
- 9.1.3 The online e-Tender publication portal can be accessed on the following link:  
<https://www.etenders.gov.za/>
- 9.1.4 The link for online bid submission tutorial is attached as  
<https://youtu.be/B7pNseNJYHM>
- 9.1.5 Bidders must ensure that bids are uploaded onto the system by the stipulated date and time.
- 9.1.6 If a bid is late and or loaded incorrectly by the closing date, it will not be accepted and receive further consideration.
- 9.1.7 Bidders are required to ensure that electronic bid submissions are done at least a day before the closing date to prevent issues which they may encounter due to their internet speed, bandwidth, or the size of the number of uploads they are submitting. National Treasury will not be held liable for any challenges experienced by bidders as a result of their technical challenges. Please do not wait for the last hour to submit. Queries sent on the closing date will not be considered, queries should be sent at least a day before the closing date to prevent issues of not receiving assistance and National Treasury will not be held liable resulting in non-submission.
- 9.1.8 Bidders to adhere to all the rules mentioned above for the online bid submission.

## **10. NOTES TO ACCEPTED BIDDERS**

### **a. Implementation plan**

The recommended bidder will be required to develop an implementation plan for each phase of the performance audit assignment before execution for review and consideration by the NT Project Management Team.

The implementation plan will cover the following:

- (a) The scope and objective of the phase;
- (b) The proposed timeframes to conduct the phase;
- (c) The profiles of the firm's project team to execute the phase;
- (d) The estimated fees for the phase; and

(e) The deliverables of the phase.

**b. Professional Registration**

Where applicable, proof of professional registration of the service provider must be submitted in the form of certified copies of the relevant registration documents.

**c. Fraud and Corruption**

All prospective service providers are to take note of the implications of contravening the Prevention and Combating of Corrupt Activities Act, No.12 of 2004 (as amended) and any other applicable legislation.

**d. Rights to procure elsewhere and with more than one contractor**

National Treasury reserves the right to procure its requirements elsewhere should the minimum contract specified by the bidder be more than that of the institution's requirements or if services are promptly required and not appropriate available from panel members, or in other cases or urgency.

The National Treasury reserves the right to arrange contract with more than one contractor.

**e. Appointment**

Should the bid be acceptable, a written letter of acceptance will be issued by the Department and in addition a formal agreement will be entered between the NT and the appointed firm(s) on the basis of an approved implementation plan for each phase of the assignment.